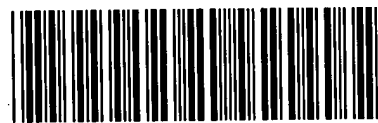


Registered number 03300123

EBIQUITY ASSOCIATES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

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**EBIQUITY ASSOCIATES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

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**EBIQUITY ASSOCIATES LIMITED
DIRECTORS AND OTHER INFORMATION
YEAR ENDED 31 DECEMBER 2021**

DIRECTORS

A P S Newman
N Pugh
N P Waters

REGISTERED OFFICE

Chapter House
16 Brunswick Place
London
N1 6DZ

REGISTRATION

Registered and incorporated in the United Kingdom
Registration number 03300123

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

SOLICITORS

Lewis Silkin
5 Chancery Lane
Cliffords Inn
London
EC4A 1BL

**EBIQUITY ASSOCIATES LIMITED
STRATEGIC REPORT
YEAR ENDED 31 DECEMBER 2021**

The Directors present their strategic report on Ebiquity Associates Limited ("the Company") for the year ended 31 December 2021.

REVIEW OF THE BUSINESS

The Company is the main UK trading company of the Ebiquity Group. The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom.

The Company is wholly owned by Ebiquity plc, a company incorporated in the United Kingdom.

The Company provides media consultancy and media evaluation services through measuring and enhancing marketing and promotional effectiveness.

On 8 January 2020, the Company made the acquisition of Digital Decisions B.V for an initial cash consideration of €700,000 (£597,000) with further consideration payable in a mix of cash and Ebiquity plc shares depending on the performance in the years ended 31 December 2020 – 2022.

The loss for the financial year 31 December 2021 of the Company amounted to £4,452,000 (31 December 2021: profit of £1,190,000). The Directors do not recommend the payment of a dividend (31 December 2020: £nil).

The Statement of Financial Position of the Company decreased to total net assets of £37,021,000 (31 December 2020: £41,380,000) due to an increase in accruals in the year related to the post-dated remuneration for the acquisition of Digital Decisions B.V.

KEY PERFORMANCE INDICATORS ("KPIs")

The Directors of Ebiquity plc manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company. The development, performance and position of the Media and Analytics & Tech divisions of Ebiquity plc, which includes the Company, is discussed on pages 4 to 53 of the Group's Annual Report and Financial Statements which does not form part of this report. KPIs for the Group are discussed within the same Strategic report.

PRINCIPAL RISKS AND UNCERTAINTIES

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Ebiquity plc, which includes those of this company, are discussed on pages 50 to 53 of the Group's Annual Report and Financial Statements which does not form part of this report.

Approved by the Board of Directors and signed on its behalf by

Alan Newman

A P S Newman
Director
29 September 2022

**EBIQUITY ASSOCIATES LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2021**

The Directors present their report together with the audited financial statements of Ebiquity Associates Limited for the year ended 31 December 2021.

FUTURE DEVELOPMENTS

The Company will continue to undertake similar business activities in the future.

DIVIDENDS

The Directors do not recommend the payment of a dividend (31 December 2020: £nil). No dividends have been declared or paid post year end up to the point of the signing of the financial statements.

RESEARCH AND DEVELOPMENT

We continue to place huge emphasis on continued development and enhancements of our product range.

POLITICAL DONATIONS AND POLITICAL EXPENDITURE

No political donations were made and no political expenditure was incurred in the period (31 December 2020: £nil).

FINANCIAL RISK MANAGEMENT

From the perspective of the Company, the financial risks (that include but are not limited to credit risk, interest rate risk, currency risk and liquidity risk) are integrated with the financial risks of the Group and are not managed separately. Accordingly, the financial risks of Ebiquity plc, which includes those of the Company, are discussed on pages 129 to 133 of the Group's Annual Report and Financial Statements which does not form part of this report.

POST STATEMENT OF FINANCIAL POSITION EVENTS

There were no post Statement of Financial Position events.

DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITORS

- So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

EBIQUITY ASSOCIATES LIMITED
DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2021

EMPLOYEES

The Company is committed to the continuous development of its employees. The Company's employees are integral to the success of the business and as a result the Company pursues employment practices which are designed to attract, retain and develop this talent to ensure the Company retains its market leading position with motivated and satisfied employees. The Company has continued this period with its employee engagement programme, measuring engagement levels and drivers through an annual survey and taking actions to further develop the leadership and organisation on the back of these findings.

The Company has continued its practice of using formal and informal communication channels to provide employees with the information they need to understand and achieve the objectives of the Company and to keep employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the Company.

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. Where existing employees become disabled it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training. It is the policy of the Company that training, career development and promotion opportunities should be available to all employees, this includes consultation on the company's objectives.

DIRECTORS

The Directors of the Company who served throughout the financial period and up to the date of signing of the financial statements were as follows:

A P S Newman
N Pugh
N P Waters

No Director had any interest in the share capital of the Company. The Directors' interests in the share capital of the parent company are shown in those financial statements.

QUALIFYING DIRECTORS' THIRD-PARTY INDEMNITY PROVISION

The Company purchased and maintained throughout the period and up to the date of approval of this report, qualifying Directors' and officers' liability insurance in respect of its Directors and Officers.

INDEPENDENT AUDITORS

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Board Meeting.

EBIQUITY ASSOCIATES LIMITED
DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2021

GOING CONCERN

The Directors are responsible for considering whether it is appropriate to prepare financial statements on a going concern basis. A signed letter of support confirms that Ebiquity plc, the ultimate controlling parent undertaking, intends to provide full financial support to the Company, as required for at least one year from the signing of the financial statements for the year ended 31 December 2021. Therefore, as long as Ebiquity plc has the ability to support the Company, the Company will continue as a going concern and the Directors of Ebiquity plc have confirmed that Ebiquity plc is a going concern.

The Directors' Report and the financial statements on pages 10 to 33 were approved by the Board of Directors on 29 September 2022 and are signed on its behalf by

Alan Newman

A P S Newman
Director
29 September 2022

EBIQUITY ASSOCIATES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Independent auditors' report to the members of Ebiquity Associates Limited

Report on the audit of the financial statements

Opinion

In our opinion, Ebiquity Associates Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2021; the income statement and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and, we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material

misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, employment law and data privacy law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management estimates including the impairment of goodwill and investments, the posting of inappropriate journals to increase revenue or reduce expenditure, misappropriation of cash, and unusual journal descriptions. Audit procedures performed by the engagement team included:

- Challenging assumptions and judgements made by management in their significant accounting estimates, including impairment of goodwill and investments.
- Identifying and testing journal entries to address the risk of inappropriate journals referred to above.
- Reviewing the financial statement disclosures and agreeing to underlying supporting documentation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one

resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Richard Porter (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

29 September 2022

EBIQUITY ASSOCIATES LIMITED
INCOME STATEMENT
YEAR ENDED 31 DECEMBER 2021

	Note	<u>2021</u> £'000	<u>2020</u> £'000
Revenue	3	29,862	27,820
Cost of sales		<u>(16,769)</u>	<u>(18,402)</u>
Gross profit		13,093	9,418
Administrative expenses		<u>(16,996)</u>	<u>(8,384)</u>
Operating (loss)/profit	4	(3,903)	1,034
Finance income	6	441	545
Finance costs	7	<u>(905)</u>	<u>(829)</u>
Net Finance (costs)		<u>(464)</u>	<u>(284)</u>
(Loss)/profit before taxation		(4,367)	750
Income tax (charge)/credit	8	(85)	440
(Loss)/profit for the financial year		<u>(4,452)</u>	<u>1,190</u>

All amounts relate to continuing activities.

There is no other comprehensive income in the current year and prior year other than the profit above and therefore no statement of other comprehensive income has been included.

There is no material difference between the profit before taxation and the profit for the financial year stated above and their historical costs equivalents.

The notes on pages 13 to 33 form part of these financial statements.

EBIQUITY ASSOCIATES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

Company number: 03300123

		<u>2021</u>	<u>2020</u>
	Note	£'000	£'000
Fixed assets			
Goodwill	9	13,100	13,100
Other intangible assets	10	56	75
Property, plant and equipment	11	1,112	1,522
Right-of-use assets	12	17	17
Investments	13	6,300	6,274
		<u>20,585</u>	<u>20,988</u>
Current assets			
Trade and other receivables	14	57,487	53,587
Cash and cash equivalents		2,994	1,105
		<u>60,481</u>	<u>54,692</u>
Current Liabilities:			
Creditors: amounts falling due within one year	16	(44,028)	(33,629)
Lease liabilities	12	(4)	(4)
Provisions for liabilities	18	-	(654)
		<u>(44,032)</u>	<u>(34,287)</u>
Net current assets		<u>16,449</u>	<u>20,405</u>
Total assets less current liabilities		37,034	41,393
Lease liabilities	12	(13)	(13)
Provisions for liabilities	18	—	—
Net assets		<u>37,021</u>	<u>41,380</u>
Equity			
Called up share capital	19	—	—
Share premium account	20	1,372	1,372
Profit and loss account	20	35,649	40,008
Total Shareholders' funds		<u>37,021</u>	<u>41,380</u>

The financial statements on pages 10 to 33 were approved by the Board of Directors on 29 September 2022 are signed on its behalf by

Alan Newman

A P S. Newman
 Director
 29 September 2022

The notes on pages 13 to 33 form part of these financial statements.

EBIQUITY ASSOCIATES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Called up share capital £'000	Share premium £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 1 January 2020		—	1,372	38,920	40,292
Profit for the financial year		—	—	1,190	1,190
Total comprehensive income for the year		—	—	1,190	1,190
Deferred tax on share options	15	—	—	(18)	(18)
Employee share-based compensation		—	—	(84)	(84)
At 31 December 2020		—	1,372	40,008	41,380
Loss for the financial year		—	—	(4,452)	(4,452)
Total comprehensive loss for the year		—	—	(4,452)	(4,452)
Deferred tax on share options	15	—	—	53	53
Employee share-based compensation		—	—	40	40
At 31 December 2021		—	1,372	35,649	37,021

The notes on pages 13 to 33 form part of these financial statements.

EBIQUITY ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

The Company is the main UK trading company of the Ebiquity Group. The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom.

The Company provides media consultancy and media evaluation services through measuring and enhancing marketing and promotional effectiveness.

The Company is wholly owned by Ebiquity plc, a company incorporated in the United Kingdom..

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). They have been prepared on a going concern basis under the historical cost convention.

The Directors are responsible for considering whether it is appropriate to prepare financial statements on a going concern basis. A signed letter of support confirms that Ebiquity plc, the ultimate controlling parent undertaking, intends to provide full financial support to the Company, as required for at least one year from the signing of the financial statements for the year ended 31 December 2021. Therefore, as long as Ebiquity plc has the ability to support the Company, the Company will continue as a going concern and the Directors of Ebiquity plc have confirmed that Ebiquity plc is a going concern.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) The requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment (details of the number of weighted-average exercise prices of share options, and how the fair value of goods and services received was determined)
- b) The requirements of IFRS 7 Financial Instruments: Disclosures
- c) The requirements of paragraphs 91 to 99 of IFRS 13 Fair value measurement (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- d) The requirement in paragraph 38 of IAS 1 Presentation of financial statements to present comparative information in respect of
 - i. paragraph 79(a)(iv) of IAS 1;
 - ii. paragraph 73(e) of IAS 16 Property, plant and equipment;
 - iii. paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period);
- e) The following paragraphs of IAS 1 Presentation of financial statements
 - i. 10(d) (statement of cash flows),
 - ii. 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - iii. 16 (statement of compliance with all IFRS)
 - iv. 38A (requirement for minimum of two primary statements, including cash flow statements)
 - v. 38B-D (additional comparative information),
 - vi. 40A-D (requirements for a third statement of financial position)
 - vii. 111 (cash flow statement information), and
 - viii. 134-136 (capital management disclosures)

EBIQUITY ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

- f) IAS 7 Statement of cash flows
- g) Paragraphs 30 and 31 of IAS 8 Accounting policies, changes in accounting estimates and errors (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- h) Paragraph 17 of IAS 24 Related party disclosures (key management compensation)
- i) The requirements in IAS 24 Related party disclosures to disclose related party transactions entered into between two or more members of a group.

Consolidation

The financial statements contain information about Ebiquity Associates Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Ebiquity plc, a company incorporated in the United Kingdom.

(b) Revenue recognition

Revenue is recognised in accordance with IFRS 15 'Revenue from Contracts with Customers'. Under IFRS 15 an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. This core principle is delivered in a five-step model:

- i. identify the contract with a customer;
- ii. identify the performance obligation(s) in the contract;
- iii. determine the transaction price;
- iv. allocate the transaction price to the performance obligations in the contract; and
- v. recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(c) Finance income and expenses

Finance income and expense represents interest receivable and payable. Finance income and expense is recognised on an accruals basis, based on the interest rate applicable to each bank or loan account.

EBIQUITY ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Foreign currency transactions

The results and financial position of the Company are expressed in pounds sterling, which is the functional currency of the Company and the presentation currency for the Company financial statements.

Trading transactions denominated in foreign currencies are translated into sterling at the rate of exchange prevailing when the transaction was entered in to. Assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial period.

All transactions involving foreign exchange gains and losses are dealt with through the Income Statement as and when they arise.

(e) Retirement benefits

For defined contribution pension schemes, the Company pays contributions to privately administered pension plans on a voluntary basis. The Company has no further payment obligations once the contributions have been paid. Contributions are charged to the income statement in the period to which they relate.

(f) Taxation

The tax expense included in the income statement comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted by the period end date.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The recognition of deferred tax assets is reviewed at each period end date.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the period end date and are expected to apply when the deferred tax liabilities/assets are settled/recovered.

(g) Goodwill

Goodwill represents the excess of the cost of acquisition over the Company's interest in the fair value of the identifiable assets and liabilities of a subsidiary. Goodwill is initially recognised as an asset at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Goodwill is subsequently measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

EBIQUITY ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Other intangible assets

Research and development

Internally generated intangible assets relate to bespoke computer software and technology developed by the Company's internal software development team. During the year, the Company generated £nil of internally generated intangible assets (31 December 2020: £nil).

An internally generated intangible asset arising from the Company's development expenditure is recognised only if all of the following conditions are met:

- it is technically feasible to develop the asset so that it will be available for use or sale;
- adequate resources are available to complete the development and to use or sell the asset;
- there is an intention to complete the asset for use or sale;
- the Company is able to use or sell the intangible asset;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Internally generated intangible assets are amortised on a straight-line basis over their useful lives which is estimated as 5 years. Amortisation commences when the asset is available for use. The amortisation expense is included within administrative expenses. Where an internally generated intangible asset cannot be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Computer Software

Purchased computer software intangible assets are amortised on a straight-line basis over their useful lives which vary from 4 to 8 years.

(i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives and is recognised in the income statement within administrative expenses. The rates generally applicable are:

Fixtures, fittings and equipment	20% per annum on cost
Computer equipment	25% per annum on cost
Leasehold property improvements	Over the life of the lease

(j) Investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

Where the purchase consideration for the acquisition of an interest in a subsidiary is contingent on one or more future events, the cost of investment includes a reasonable estimate of the fair value of the amounts of consideration that are expected to be payable in the future. The cost of investment and the contingent consideration liability is adjusted until the ultimate payable is known.

EBIQUITY ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (*continued*)
YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and short-term deposits. In the Statement of Financial Position, bank overdrafts are shown within borrowings in current liabilities.

(l) Provisions

Provisions, including provisions for onerous leases, are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle that obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the period end date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate which reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligations.

(m) Share capital

Ordinary shares are classified as equity.

(n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets are classified, at initial recognition, and subsequently measured at fair value through profit or loss ("FVPL"), amortised cost, or fair value through other comprehensive income ("FVOCI").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding (the "SPPI Criterion").

Financial assets are initially measured at their fair value plus, for those financial assets not at fair value through profit or loss, transaction costs. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, being the date that the Company commits to purchase or sell the asset.

For the purposes of subsequent measurement, all of the Company's financial assets are classified as financial assets at amortised cost. Financial assets at amortised cost comprise of assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI Criterion. This category includes the Company's trade and other receivables and cash and cash equivalents. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

EBIQUITY ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Financial instruments (continued)

The Company has not classified any assets as being financial assets at FVOCI or FVPL.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or as payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities comprise of trade and other payables.

The Company's payables are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

(o) Related party transactions

In accordance with FRS 101 the Company is exempt from disclosing transactions with wholly owned entities that are part of the Ebiquity plc group, or investees of the Group, or investees of the Group qualifying as related parties, as it is included within the published consolidated financial statements of Ebiquity plc.

(p) Leases

The Company has a lease arrangement for IT equipment. Lease terms are negotiated on an individual basis. This results in a wide range of different terms and conditions. At the inception of a lease contract, the Company assesses whether the contract conveys the right to control the use of an identified asset for a certain period in exchange for a consideration, in which case it is identified as a lease. The Company then recognises a right-of-use asset and a corresponding lease liability at the lease commencement date. Lease-related assets and liabilities are measured on a present value basis. Lease-related assets and liabilities are subjected to re-measurement when either terms are modified or lease assumptions have changed. Such an event results in the lease liability being re-measured to reflect the measurement of the present value of the remaining lease payments, discounted using the discount rate at the time of the change. The lease assets are adjusted to reflect the change in the re-measured liabilities.

Right-of-use assets

Right-of-use assets include the net present value of the following components:

- the initial measurement of the lease liability;
- lease payments made before the commencement date of the lease;
- initial direct costs; and
- costs to restore.

The right-of-use assets are reduced for lease incentives relating to the lease.

The right-of-use assets are depreciated on a straight-line basis over the duration of the contract. In the event that the lease contract becomes onerous, the right-of-use asset is impaired for the part which has become onerous.

EBIQUITY ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Leases (continued)

Lease liabilities

Lease liabilities include the net present value of the following components:

- fixed payments excluding lease incentive receivables;
- future contractually agreed fixed increases; and
- payments related to renewals or early termination, in case options to renew or for early termination are reasonably certain to be exercised.

The lease payments are discounted using the interest rate implicit in the lease. If such rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value, in a similar economic environment, with similar terms and conditions. The discount rate that is used to calculate the present value reflects the interest rate applicable to the lease at inception of the contract. Lease contracts entered into in a currency different to the local functional currency are subjected to periodic foreign currency revaluations which are recognised in the income statement in net finance costs.

The lease liabilities are subsequently increased by the interest costs on the lease liabilities and decreased by lease payments made.

Where a lease is not captured by IFRS 16 'Leases', the total rentals payable under the lease are charged to the income statement on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis. The land and buildings elements of property leases are considered separately for the purposes of lease classification.

(q) Critical accounting estimates and judgements

In preparing the financial statements, the Directors have made certain estimates and judgements relating to the reporting of results of operations and the financial position of the Company. Actual results may significantly differ from those estimates often as the result of the need to make assumptions about matters which are uncertain. The estimates and judgements discussed below are considered by the Directors to be those that have a critical accounting impact to the financial statements.

Critical accounting estimates include the terminal growth rate used in impairment assessments, inputs to share option accounting fair value models and amounts to capitalise as intangible assets. These estimates are reached with reference to historical experience, supporting detailed analysis and, in the case of impairment assessments and share option accounting, external economic factors.

Critical accounting judgements include the treatment of events after the reporting period determined to be adjusting or non-adjusting events and the terminal growth rate used in impairment assessments.

Goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.(g). The recoverable amounts of cash-generating units (CGUs) have been determined based on value-in-use calculations. These calculations require the use of estimates (note 9).

EBIQUITY ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Critical accounting estimates and judgements (continued)

Investments

The Company has recorded an asset for investment in subsidiary companies. The directors believe the carrying value of these investments is supported by their underlying net assets. Any changes to the carrying value of investments after the measurement period are recognised in the income statement.

Contingent consideration

The Company has recorded liabilities for contingent consideration on acquisitions made in the current and prior periods. The calculation of the contingent consideration liability requires judgements to be made regarding the forecast future performance of these businesses for the earn-out period. Any changes to the fair value of the contingent consideration after the measurement period are recognised as an increase or decrease to the investment within fixed assets on the statement of financial position.

Income taxes

Judgement and estimates of future profitability are required to determine the Company's deferred tax position. If the final tax outcome is different to that assumed, resulting changes will be reflected in the income statement, unless the tax relates to an item charged to equity in which case the changes in the tax estimates will also be reflected in equity.

The Company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

New standards, amendments and IFRIC interpretations

The Company has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2021:

- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 9 and IFRS 7 as issued in August 2020. In accordance with the transition provisions, the amendments have been adopted retrospectively to hedging relationships and financial instruments; and
- Covid-19 related Rent Concessions – amendments to IFRS 16. The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

For financial instruments measured using amortised cost measurement (that is, financial instruments classified as amortised cost and debt financial assets classified as FVOCI), changes to the basis for determining the contractual cash flows required by interest rate benchmark reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. A similar practical expedient exists for lease liabilities.

EBIQUITY ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards, amendments and IFRIC interpretations (continued)

The following new standard has been published that is mandatory to the Company's future accounting periods but has not been adopted early in these financial statements:

- Annual Improvements to IFRS Standards 2018-2020 Cycle effective on or after 1 January 2022.
- Property, Plant and Equipment: Proceeds before intended use – amendments to IAS 16;
- Onerous Contracts – Cost of Fulfilling a Contract – amendments to IAS 37;
- Annual Improvements to IFRS Standards 2018-2020 Cycle effective on or after 1 January 2022;
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1 1 January 2023 (deferred from 1 January 2022);
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 effective on or after 1 January 2023;
- Definition of Accounting Estimates – Amendments to IAS 8 effective on or after 1 January 2023;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 effective on or after 1 January 2023; and
- Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28 effective on or after 1 January 2023.

The adoption of the standard listing above is not expected to significantly affect future periods.

3. REVENUE

The analysis of turnover by classes of business is as follows:

	<u>Year ended</u> <u>31 December</u> <u>2021</u> <u>£'000</u>	<u>Year ended</u> <u>31 December</u> <u>2020</u> <u>£'000</u>
Media	22,038	19,817
Analytics & Tech	7,824	8,003
	<u>29,862</u>	<u>27,820</u>

The geographical analysis of turnover is as follows:

	<u>Year ended</u> <u>31 December</u> <u>2021</u> <u>£'000</u>	<u>Year ended</u> <u>31 December</u> <u>2020</u> <u>£'000</u>
UK	16,916	15,220
Europe	9,727	8,719
North America	2,645	2,475
Rest of the world	574	1,406
	<u>29,862</u>	<u>27,820</u>

EBIQUITY ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	<u>Year ended</u> <u>31 December</u> <u>2021</u> £'000	<u>Year ended</u> <u>31 December</u> <u>2020</u> £'000
Operating lease rentals - land and buildings ¹	—	—
Operating lease rentals - Other	10	10
Depreciation – owned assets	443	453
Depreciation – leased assets	—	4
Amortisation of computer software	—	—
Amortisation of capitalised development	19	106
Foreign exchange translations loss	15	211
Income on transitional services agreement ²	—	(89)

¹ Operating lease rentals reduced in the year on Ebiquity PLC taking on the lease commitment for the new London office.

² This represents income for the ongoing support provided to Nielsen after the AdIntel sale completed on 2 January 2019.

The Directors' costs in the current and prior year are borne by Ebiquity plc, the ultimate controlling parent undertaking, and are reflected in the financial statements of that company. These costs are not significant to the Company and are deemed insignificant for apportionment and are reflected in the financial statements of that company.

The auditors' remuneration in the current and prior financial years have been borne by Ebiquity plc, the ultimate controlling parent undertaking, and is reflected in the financial statements of that company. These costs are not significant to the Company and are deemed insignificant for apportionment and are reflected in the financial statements of that company.

5. EMPLOYEES

The average monthly number of employees of the Company were as follows:

	<u>Year ended</u> <u>31 December</u> <u>2021</u> No.	<u>Year ended</u> <u>31 December</u> <u>2020</u> No.
Consultancy	135	157
Accounts and Administration	26	24
	<u>161</u>	<u>181</u>

EBIQUITY ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

5. EMPLOYEES (continued)

Staff costs for all employees consist of:

	<u>Year ended</u> <u>31 December</u> <u>2021</u> <u>£'000</u>	<u>Year ended</u> <u>31 December</u> <u>2020</u> <u>£'000</u>
Wages and salaries	10,296	11,111
Social security costs	1,220	1,303
Other pension costs	317	363
Share option charge	40	(84)
	<u>11,873</u>	<u>12,694</u>

6. FINANCE INCOME

	<u>Year ended</u> <u>31 December</u> <u>2021</u> <u>£'000</u>	<u>Year ended</u> <u>31 December</u> <u>2020</u> <u>£'000</u>
Bank interest	—	1
Group interest receivable	11	11
Dividends receivable	430	533
	<u>441</u>	<u>545</u>

7. FINANCE COSTS

	<u>Year ended</u> <u>31 December</u> <u>2021</u> <u>£'000</u>	<u>Year ended</u> <u>31 December</u> <u>2020</u> <u>£'000</u>
Bank overdraft interest	—	17
Group interest payable	905	811
Lease liabilities' interest	—	1
	<u>905</u>	<u>829</u>

EBIQUITY ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

8. INCOME TAX EXPENSE

	<u>Year ended</u> <u>31 December</u> <u>2021</u> £'000	<u>Year ended</u> <u>31 December</u> <u>2020</u> £'000
<i>Current tax</i>		
Current year	239	72
Adjustments to tax charge in respect of previous years	(42)	(444)
Total current tax	<u>197</u>	<u>(372)</u>
<i>Foreign tax</i>		
Current year	—	—
Total foreign tax	<u>—</u>	<u>—</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(112)	(46)
Total deferred tax	<u>(112)</u>	<u>(46)</u>
Income tax (credit)/expense	<u>85</u>	<u>(418)</u>

The tax assessment for the period differs to (year ended 31 December 2020: differs to) the standard rate of corporation tax in the UK of 19% (year ended 31 December 2020: 19%). The differences are explained below:

	<u>Year ended</u> <u>31 December</u> <u>2020</u> £'000	<u>Year ended</u> <u>31 December</u> <u>2020</u> £'000
Profit/(loss) before taxation	<u>(4,797)</u>	<u>750</u>
Profit/(loss) before taxation at the standard rate of corporation tax in the UK of 19% (year ended 31 December 2020: 19%)	(911)	143
Effects of:		
Expenses not deductible	1,808	117
Capital allowances for year in excess of depreciation	10	13
Relieved (by) other group companies	(551)	(96)
Adjustments to tax charge in respect of previous years	(42)	(444)
Additional credit for R&D expenditure	(117)	(105)
Deferred tax	(112)	(46)
Total tax charge/(credit) for the year	<u>85</u>	<u>(418)</u>

The Company has £nil (year ended 31 December 2020: nil) tax losses to carry forward against future trading profits. For further details see note 15

Following the Budget on 31 March 2021, the corporation tax rate effective from 1 April 2021 and 1 April 2022 will remain at 19%. This supersedes the announcement on 6 September 2016 which detailed a reduction to 17% from 1 April 2020. The 2021 Budget detailed an increase in the corporation tax rate from 1 April 2023 to 25%, this was substantially enacted on 10 June 2021.

EBIQUITY ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

9. GOODWILL

	Total £'000
Cost	
At 1 January 2021 and 31 December 2021	20,363
Accumulated amortisation and impairment	
At 1 January 2021 and 31 December 2021	(7,263)
Net book value	
At 31 December 2021	13,100
At 31 December 2020	<u>13,100</u>

Goodwill was amortised up to and including the period ended 30 April 2015, resulting in an accumulated amortisation charge of £7,263,000.

On adopting FRS 101, annual amortisation has ceased, and therefore for the period ended 31 December 2021 the goodwill balance has instead been assessed for impairment. The Company will continue to assess the goodwill balance annually for impairment.

The Company tests annually for impairment. Goodwill is allocated to the Company's cash-generating units (CGUs) in order to carry out impairment tests.

Goodwill has been allocated to the following segments:

	<u>31 December 2021 £'000</u>	<u>31 December 2020 £'000</u>
Media	12,267	12,267
Analytics & Tech	833	833
	<u>13,100</u>	<u>13,100</u>

The impairment test involves comparing the carrying value of the CGU to which the goodwill has been allocated to the recoverable amount. The recoverable amount of all CGUs has been determined based on value in use calculations.

Value in use calculations

The value in use calculations are based on assumptions regarding the discount rates, and revenue and cost growth rates. The Directors prepare a three-year pre-tax cash flow forecast based on the following financial year's budget as approved by the Board, with revenue and cost forecasts for the following two years adjusted by segment and geography. The forecast takes account of actual results from previous years combined with management expectations of market developments.

The Directors estimate discount rates using rates that reflect current market assessments of the time value of money and risk specific to the cash-generating units. The three-year pre-tax cash flow forecasts have been discounted at 10.0% (31 December 2020: 10.0%).

Cash flows beyond the three-year period are extrapolated at a rate of 2.00% (31 December 2020: 2.00%), which does not exceed the long-term average growth rate in any of the markets in which the Group operates.

The excess of the value in use to the goodwill carrying values for each CGU gives the level of headroom in each CGU.

On review the Directors consider that there is no impairment of goodwill required.

EBIQUITY ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

10. OTHER INTANGIBLE ASSETS

	Capitalised development costs £'000	Computer Software £'000	Total £'000
Cost			
At 1 January 2021	94	501	595
Disposals	—	—	—
At 31 December 2021	94	501	595
Accumulated Amortisation and impairment			
At 1 January 2021	19	501	520
Charge for the period	—	—	—
Disposals	19	—	19
At 31 December 2021	38	501	539
Net book value			
At 31 December 2021	56	—	56
At 31 December 2020	75	—	75

Capitalised development in the year relates to the capitalisation of salary costs for the development of the optimiser tool for the Analytics & Tech division.

Amortisation of capitalised development and computer software is included within administrative expenses in the income statement.

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Property improvements £'000	Fixtures, fittings and equipment £'000	Computer equipment £'000	Total £'000
Cost				
At 1 January 2021	1,304	295	574	2,173
Additions	—	3	29	32
Reclassifications	—	—	—	—
Disposals	—	—	—	—
At 31 December 2021	1,304	298	603	2,205
Accumulated Depreciation				
At 1 January 2021	304	103	243	650
Charge for the period	261	51	131	443
Reclassifications	—	—	—	—
Disposals	—	—	—	—
At 31 December 2021	565	154	374	1,093
Net book value				
At 31 December 2021	739	144	229	1,112
At 31 December 2020	999	192	331	1,522

EBIQUITY ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use asset:

	Equipment £'000	Total £'000
Cost		
At 1 January 2021	22	22
Additions	—	—
At 31 December 2021	22	22
Accumulated depreciation		
At 1 January 2021	(5)	(5)
Charge for the year	—	—
At 31 December 2021	(5)	(5)
Net book value		
At 31 December 2021	17	17
At 31 December 2020	17	17

Lease liability:

	Equipment £'000	Total £'000
Cost		
At 1 January 2021	17	17
Additions	—	—
Cash payments in the year	—	—
Interest charge in the year	—	—
At 31 December 2021	17	17
Current	4	4
Non-current	13	13

The present value of the minimum lease payments are as follows:

	Minimum lease payments	
	31 December 2021 £'000	31 December 2020 £'000
Amounts due:		
Within one year	5	5
Between 1 and 2 years	5	5
Between 2 and 3 years	4	5
Between 3 and 4 years	—	4
Between 4 and 5 years	—	—
Later than 5 years	—	—
	14	19

IFRS 16 was adopted by the Company on 1 January 2019 using the modified retrospective method.

The lease obligation entered into during the year for the new London premises, has been accounted for under IFRS 16 within the Company financial statements of the immediate and ultimate controlling parent undertaking, Ebiquity plc. The only leases accounted for under IFRS 16 for the Company relate to IT equipment.

EBIQUITY ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

13. INVESTMENTS

Total fixed asset investments comprise of:

	Investment in subsidiary undertakings 31 December 2021 £'000	Investment in subsidiary undertakings 31 December 2020 £'000
Cost and net book value:		
At 1 January 2021	6,274	5,286
Additions	—	597
Contingent consideration adjustment	26	620
Disposals	—	—
Impairment	—	(229)
At 31 December 2021	6,300	6,274

The addition in the year relates to the acquisition of Digital Decisions B.V for an initial cash consideration of €700,000 (£597,000) with further consideration payable in a mix of cash and Ebiquity plc shares depending on the performance in the years ended 31 December 2020 – 2022.

The contingent consideration adjustment relates to the revaluation and discounting of the expected amounts payable in relation to the acquisition of Ebiquity Marsh Limited.

An impairment of £229,000 was recognised in relation to the investment held in Ebiquity Marsh Limited so that the carrying value was adjusted to be in line with the value-in-use.

The Company holds investments in the following companies, which are incorporated in the United Kingdom unless otherwise stated.

<u>Name of undertaking</u>	<u>Class of share capital held</u>	<u>Percentage held</u>	<u>Nature of business</u>	<u>Registered Address</u>
Xtreme Information Limited	Ordinary	100%	Dormant	Chapter House, 16 Brunswick Place, London, England, N1 6DZ
Ebiquity Germany GmbH ¹	Ordinary	100%	Media consultancy	Hermannstr. 40 20095, Hamburg, Germany
Ebiquity Marsh Limited ²	Ordinary	100%	Media consultancy	11 Ely Place, Dublin 2, 662881, Ireland
Digital Decisions B.V. ³	Ordinary	100%	Media consultancy	Pythagoraslaan 101, Utrecht, 3584BB, Netherlands

¹ Incorporated in Germany

² Incorporated in Ireland

³ Incorporated in the Netherlands

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

EBIQUITY ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

14. TRADE AND OTHER RECEIVABLES

	<u>31 December</u>	<u>31 December</u>
	<u>2021</u>	<u>2020</u>
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	6,882	6,532
Amounts owed by group undertakings	47,865	43,435
Other receivables	353	21
Prepayments and contract assets	1,457	3,314
Corporation Tax	562	83
Other taxation & social security	—	—
Deferred tax asset (note 15)	368	202
	<u>57,487</u>	<u>53,587</u>

Included within amounts owed by group undertakings is an amount of £83,000 (31 December 2020: £83,000) due from Ebiquity plc which is unsecured, incurs interest at 6%, has no fixed date of repayment and is repayable on demand. The residual amounts are unsecured, non-interest bearing, have no fixed date of repayment and are repayable on demand.

15. DEFERRED TAX ASSET

	Tangible assets £'000	Share-based payments £'000	Total £'000
At 1 January 2020	119	33	152
Credited to income	68	—	68
Charged to equity	—	(18)	(18)
At 31 December 2020	<u>187</u>	<u>15</u>	<u>202</u>
Credited to income	113	—	113
Credited to equity	—	53	53
At 31 December 2021	<u>300</u>	<u>68</u>	<u>368</u>

At the period end the Company has tax losses of £nil (31 December 2020: £nil) available for offset against future profits. A deferred tax asset of £nil (31 December 2020: £nil) has been recognised in respect of such losses.

EBIQUITY ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (*continued*)
YEAR ENDED 31 DECEMBER 2021

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>31 December</u>	<u>31 December</u>
	<u>2021</u>	<u>2020</u>
	<u>£'000</u>	<u>£'000</u>
Trade creditors	973	356
Amounts owed to group undertakings	30,119	28,463
Corporation tax	—	—
Other taxation and social security	1,028	1,350
Other creditors	405	365
Accruals and contract liabilities	11,503	3,095
	<u>44,028</u>	<u>33,629</u>

Included within amounts owed to group undertakings is an amount due to The Register Group Limited of £1,310,000 (2020: £1,280,000) which is unsecured, earns interest at LIBOR + 3.25% per annum, has no fixed date of repayment and is repayable on demand.

Additionally, there is an amount due to Xtreme Information Services Limited of £4,560,000 (2020: £4,112,000) which is unsecured, earns interest at 6.25%, has no fixed date of repayment and is repayable on demand.

Further, there is an amount due to Fairbrother Lenz Eley Limited of £10,739,000 (2020: £10,423,000) which is unsecured, earns interest at 4%, has no fixed date of repayment and is repayable on demand.

Further, there is an amount due to Checking Advertising Services Limited of £128,000 (2020: £125,000) which is unsecured, earns interest at 4%, has no fixed date of repayment and is repayable on demand.

Further, there is an amount due to Ebiquity UK Limited (formerly Echo Research Ltd) of £696,000 (2020: £676,000) which is unsecured, earns interest at 3.3%, has no fixed date of repayment and is repayable on demand.

The residual amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

17. RETIREMENT BENEFITS

The Company operates a defined contribution pension scheme. The assets of this scheme are held separately from those of the Company in an independently administered group personal pension fund. The amount recognised as an expense for the defined contribution scheme was £317,000 (31 December 2020: £363,000). At the year end contributions of £90,000 (31 December 2020: £94,000) were outstanding.

EBIQUITY ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2021

18. PROVISIONS FOR LIABILITIES

	<u>31 December</u> <u>2021</u> £'000	<u>31 December</u> <u>2020</u> £'000
Amounts falling due within one year:		
Provision for contingent deferred consideration	—	654
	<u>—</u>	<u>654</u>

Provisions for contingent deferred consideration represents the expected payables relating to the acquisition of Ebiquity Marsh Limited. The provision was fully utilised in July 2021.

19. CALLED UP SHARE CAPITAL

	<u>31 December</u> <u>2021</u> £	<u>31 December</u> <u>2020</u> £
Allotted, called up and fully paid		
1,090 (31 December 2019: 1,090) Ordinary shares of 10p each	<u>109</u>	<u>109</u>

20. RESERVES

Share premium

The share premium reserve shows the amount subscribed for share capital in excess of the nominal value.

Profit and loss account

The profit and loss account reserve shows the cumulative net gains and losses recognised in the income statement.

For detailed movements on each of the above reserves, refer to the Statement of Changes in Equity.

EBIQUITY ASSOCIATES LIMITED
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21. SHARE BASED PAYMENTS

Executive Incentive Plan (EIP)

This is a discretionary scheme for the Directors of the Company's parent, Ebiquity plc. Vesting of the options was subject to the satisfaction of performance criteria designed to achieve growth of the business while at the same time maintaining and enhancing the underlying earnings per share over the period to 30 April 2013. These options lapsed in May 2020 since the share price remained below the exercise price.

Executive share option plan (ESOP)

This is a discretionary scheme, comprised of an HMRC approved schedule and an unapproved schedule. The ESOP provides a lock-in incentive to key management. Vesting of these options is subject to the satisfaction of certain performance criteria and typically around the rate of growth of diluted adjusted earnings per share over a three-year period. Rights to ESOP options lapse if the employee leaves the Company.

No share options (31 December 2020: nil) have been granted to employees of the Company under the ESOP in the year ended 31 December 2021.

Enterprise management incentive scheme (EMI Scheme)

The EMI scheme is a discretionary share option scheme, which provides that options with a value at the date of grant of up to £120,000 may be granted to employees. The EMI scheme provides a lock-in incentive to key management and is also utilised to attract key staff. Rights to EMI share options lapse if the employee leaves the Company. There are no further performance conditions.

No options have been granted under this scheme since 13 April 2010 as the Group was, from that date, too large to qualify under the HMRC EMI scheme rules. As at 31 December 2021, there are no options outstanding under this scheme.

Unapproved company share option plan (UCSOP)

This is a discretionary scheme, which provides that options may be granted where employees are not eligible to the EMI scheme. The UCSOP provides a lock in incentive to key management. Rights to UCSOP options lapse if the employee leaves the Company.

No options have been granted to employees under the USCOP in the year ended 31 December 2021.

22. ULTIMATE PARENT COMPANY

The immediate parent, ultimate parent and controlling parent undertaking is Ebiquity plc, which is the parent of both the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of Ebiquity plc may be obtained from the Company Secretary at Chapter House, 16 Brunswick Place, London, N1 6DZ

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23. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the disclosure exemption permitted under FRS 101 in relation to the requirements in IAS 24 "Related party disclosures", not to disclose related party transactions entered into with wholly owned entities that are part of the Ebiquity plc group as the Company is included within the published consolidated financial statements of Ebiquity plc.

Transactions outside of this exemption are disclosed below:

The Company earned revenue from Ebiquity Russia Limited, who is a fellow subsidiary of Ebiquity plc, of £5,000 (31 December 2020: £53,000), and incurred partner costs of £317,000 (31 December 2020: £279,000). In addition costs of £33,000 (31 December 2020: £33,000) were recharged to Ebiquity Russia Limited. Also payments and offsets were made in the year of £371,000 to Ebiquity Russia Limited (31 December 2020: £401,000).

At the year end, £273,000 was owed to Ebiquity Russia Limited (31 December 2020: £365,000).

There were no other related party transactions in either period.

24. CONTINGENT LIABILITY

A composite Garantie has been given by certain subsidiary companies of Ebiquity plc. As such the bank holds fixed and floating charges over the current and future assets of the Company. The Group had outstanding bank borrowings of £18,000,000 (2020: £19,000,000) at the year end.